



Illinois Department of Transportation

Division of Public and Intermodal Transportation
100 West Randolph Street / Suite 6-600 / Chicago, Illinois / 60601

September 24, 2014

Honorable Bill Shuster, Chairman,
House Committee on Transportation and Infrastructure
2165 Rayburn House Office Building
Washington, D.C. 20515-6256

Dear Chairman Shuster:

The Illinois Department of Transportation (IDOT) appreciates the Subcommittee's effort to introduce the "Passenger Rail Reform and Investment Act of 2014," or (PRRIA), to reauthorize Amtrak funding and the grant and loan programs of the Federal Railroad Administration. We staunchly believe that the continued development of a national intercity passenger rail system is a crucial component of our nation's transportation network and that such a system is needed to compensate for the ever-worsening problems of highway and aviation congestion. We are pleased that the Subcommittee has introduced a bi-partisan reauthorization bill and also appreciate your willingness to consider both these comments and future ideas we may forward to you and the Subcommittee as the bill is further deliberated by Congress.

There are three components of the bill we particularly support:

First, we support the "Project Delivery and Rulemaking" provisions of Section 401 that work to streamline the review, permitting and approval process for railroad projects. In many cases, railroad capacity expansion projects in Illinois revolve around restoring trackage that was laid decades ago. In such cases, we would greatly appreciate an expedited review process instead of needing to treat the land involved as "greenfield."

Second, we also thank you for including the "State-Supported Route Advisory Committee" of Section 203 as recommended by the states and the American Association of State Highway and Transportation Officials Standing Committee on Rail Transportation. The provision rightly recognizes the critical role that states, corridors and regions play in the planning and delivery of intercity passenger rail service. As proposed, the Committee would provide a structured, organized means of determining cost responsibilities. The proposed timelines would benefit both Amtrak and the states and allow both groups as well as state governments to budget and program funds.

Finally, we also appreciate the inclusion of a "Station Development" provision in Section 208 of the bill. In Illinois, we have seen first-hand how a new passenger rail station enhancement can encourage downtown development. Bloomington-

Normal's new multimodal station has led to almost \$200 million in private sector investment in the downtown area.

Nonetheless, we do have several comments on PRRIA that we believe would enhance the bill.

Authorization/Appropriation Levels

Authorization levels provided for Amtrak for the next four years are simply insufficient for the provision of high-quality intercity passenger rail service that is needed and warranted. Funding authorized for Amtrak under PRRIA is nearly 40 percent less than what was authorized under the Passenger Rail Investment and Improvement Act of 2008 (PRIIA). Moreover, annual average funding for High-Speed Intercity Passenger Rail Service (HSIPRS) under PRIIA was \$745 million; under PRRIA there is no funding category to fund HSIPR service. Such service is needed in the Midwest (as exemplified in the Chicago-St. Louis Corridor) and elsewhere. During FFY 2013, Amtrak's state-supported corridor service grew to a new record of 15.4 million passengers, and ridership on Illinois' state-supported routes has almost doubled in the last eight years.

We recommend that authorization and funding levels of the bill truly support the needs of the nation. Without a doubt, funding above the \$7 billion authorized in the bill is justified, particularly when one considers that the PRRIA authorization represents to Amtrak an annual reduction of almost \$700 million in comparison with PRIIA. Moreover, any and all funds authorized need to be "firewalled" and appropriated.

Creation of Intercity Passenger Rail Transportation Trust Fund

The bill is silent as to the creation of a funding source that would forever end the annual Amtrak appropriations debate. It is imperative that a long-term sustainable funding source to support Intercity Passenger Rail, and HSIPR be identified. The time to find a funding solution to support the development of rail infrastructure could not be more appropriate, given the nation's history with the Highway Trust Fund and its near-deficit status. Many potential revenue streams to establish such a dedicated funding source for rail have been proposed, and we encourage Congress to work towards a bipartisan solution to preserve and upgrade the nation's passenger rail infrastructure.

Northeast Corridor Improvement (NEC) Fund Account/National Network Account (Section 201)

IDOT does not favor the bill's provision to establish two separate fund accounts, one for the NEC and one for the national network, with transfers between the two totally at Amtrak's discretion. Implementing such a segregated division between the NEC and the remainder of the national system could potentially harm the functionality of the overall system – which is the overarching purpose of the publicly funded railroad. Further, taxpayer funds here in Illinois and other Midwest states throughout the years have helped make the NEC successful and profitable

These long-standing contributions from taxpayers outside the NEC cannot be ignored, and Amtrak must continue to reciprocate for those national investments by investing surplus NEC funding in the national system. The provision to strip

financial support from the national network is poor policy. We fully expect that the current and ensuing high-speed rail improvements now being built on the Chicago-St. Louis corridor will soon make this route as attractive as the NEC. Therefore, to extend the bill's two-account logic, is it conceivable that the Chicago-St. Louis Corridor route would eventually be segregated into the "profitable" bucket, thereby potentially starving other Illinois routes? Our main concern is that the two-account proposal would eventually lead to the elimination of funding for all routes outside the NEC.

Greater Transparency in Amtrak's Financial Reporting

Illinois trails only one state (California) in its annual investment in passenger rail, and we would appreciate greater openness, transparency, and clarity in Amtrak's accounting reports to the states. Many states, both individually and in groups, have expressed this sentiment to Amtrak, which has stated and re-stated financial reports throughout lengthy and difficult PRIIA 209 negotiations. Clarity from the beginning would help all parties build a more trusting relationship in regard to the release and access of financial data.

Maintain and Adequately Fund Current Capital Programs

PRIIA authorized three new capital programs: capital improvements to Intercity Passenger Rail Corridors, High-Speed Rail Corridors, and Congestion Relief. PRRIA continues to authorize only one of these programs, i.e. Intercity Passenger Rail Corridors and establishes another fund exclusively for the NEC. The flexibility provided to the United States Department of Transportation via PRIIA should be retained so that grants can be made nationally to improve passenger rail transportation, and at significantly higher levels than the \$150 million annually outlined in PRRIA for non-NEC states' passenger rail improvements. At the very least, if the NEC is permitted to keep operating surplus funds within the Corridor, then the NEC capital funding eligibility should be eliminated from the National Infrastructure Investments capital grant program of Section 103.

Letters of Intent (LOI) for Capital Projects

Our interpretation of the "Letters of Intent" provision of Section 201 is that the NEC has two funding sources from which to secure LOIs, i.e., from the National Infrastructure Investments grants program, or from the NEC Improvement Fund which is dedicated to the NEC. The national network only has access to such LOIs under the National Infrastructure Investments program. In any given year, the Secretary should also be able to issue LOIs for routes under the national network, especially if authorizations are increased as expressed above.

Credit for State-Supported Investments in Rail Infrastructure

Under Illinois Governor Pat Quinn, Illinois has allocated a total of \$450 million in state capital funding toward passenger rail improvement projects, and another \$300 million towards the CREATE freight rail infrastructure program, that in many cases also benefits passenger rail. States, like Illinois, that make rail commitments and investments should receive equitable credit in future federal grant programs, either through lower match requirements or through credits toward the matching requirement.

Absence of Performance Metrics

Improvement in our nation's economy is certainly welcome but an unfortunate consequence is Amtrak's plummeting on-time performance nationwide. On-time performance has suffered due to significantly higher levels of freight rail traffic. In addition to the bill's efforts to hold Amtrak accountable for delays over which Amtrak has control, PRIIA needs to stress the importance of strengthening the Surface Transportation Board's ability to hold freight railroads accountable for their handling of passenger trains so service is more reliable. A program of incentives for rewarding freight railroads for proper handling of passenger trains, along with penalties to encourage better freight railroad performance, should be implemented via PRIIA.

Mandate to Include Non-NEC Representation on Amtrak's Board of Directors

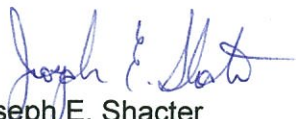
In addition to supporting the aforementioned State Advisory Committee, we suggest that provisions be adopted to require Amtrak to include a seat on its board for a non-NEC state government representative, as well as a mayor from a city in a non-NEC state. A seat dedicated to a non-NEC state will work to ensure that Amtrak management treats non-NEC areas of the nation equitably.

Flexibility for Amtrak to Use Appropriation as Needed

Amtrak appropriations are currently divided between an Operating and a Capital Account. Consequently, there are periodic debates over what the proper amount is to appropriate for operating funds, or operating funds should be eliminated. In order for Amtrak to operate efficiently, Amtrak management needs the flexibility to use the total appropriation to best meet the needs of the national system. Amtrak should have the flexibility to make decisions on how much should be devoted to operating and capital purposes. Therefore, we suggest that the annual appropriation be a single amount as opposed to two appropriations as it is currently.

We sincerely appreciate your leadership on these critical issues and appreciate your strong interest in improving our nation's transportation system. Please contact me if I can be of further assistance in supporting your efforts on these issues.

Sincerely,



Joseph E. Shacter
Director of Public and Intermodal Transportation